



General Assembly

Substitute Bill No. 6485

January Session, 2009

* HB06485BA 031109 *

AN ACT CONCERNING INACTIVE ACCOUNT FEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-318 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 (a) Except as provided in subsection (c) of this section, prior to
4 opening a new deposit account for any depositor or prospective
5 depositor: (1) Each financial institution shall deliver to such depositor
6 or prospective depositor in written form, which the depositor can keep
7 a copy of, (A) the deposit contract, (B) a listing of deposit account
8 charges and the conditions under which such charges will be imposed
9 including, but not limited to, failure to maintain a minimum balance,
10 and (C) if such account is a time account, deposit account disclosures
11 that govern such account; and (2) each financial institution, other than
12 a Connecticut credit union or federal credit union, shall deliver to each
13 depositor or prospective depositor deposit account disclosures that
14 govern such account if such account is a savings account.

15 (b) The deposit account disclosures and listing of deposit account
16 charges may be contained in more than one document and may be
17 combined with disclosures, fees and contract terms for other accounts
18 as long as the deposit account disclosures and deposit account charges
19 are disclosed clearly and conspicuously and it is clear which deposit
20 account disclosures and deposit account charges are applicable to the

21 types of deposit accounts maintained by the depositor.

22 (c) If all or any part of a maturing or otherwise expiring time
23 account is automatically deposited by renewal, roll-over or otherwise
24 in a new deposit account [within] no later than thirty days after the
25 date of expiration, the provisions of subsection (a) of this section shall
26 not apply to such new account, except that if the annual percentage
27 yield on such new account is lower than the annual percentage yield
28 on the expiring account, and the maturing time account has a term to
29 maturity of longer than thirty-one days, the financial institution shall
30 deliver to the depositor the notice as required by this subsection. Such
31 notice shall be delivered at least thirty calendar days before the
32 maturity of the existing time account. Alternatively, such notice may
33 be delivered at least twenty calendar days before the end of the grace
34 period on the existing account, provided a grace period of at least five
35 calendar days is allowed. For purposes of this subsection, a grace
36 period means a period following the maturity of an automatically
37 renewing time account during which the depositor may withdraw
38 funds without being assessed a penalty. The notice shall recite the
39 deposit account disclosures and deposit account charges, including the
40 conditions under which such charges will be imposed, applicable to
41 the new account, along with the date the existing account matures and
42 the new maturity date if the account is renewed; provided if the
43 interest rate and annual percentage yield that will be paid for the new
44 account are unknown when the notice is provided, the notice shall
45 state that those rates have not yet been determined, the date when they
46 will be determined and a telephone number the depositor may call to
47 obtain the interest rate and the annual percentage yield that will be
48 paid for the new account. Notwithstanding any provisions of the
49 general statutes to the contrary, if the term to maturity of the maturing
50 time account is one year or less but longer than thirty-one days, the
51 notice is not required to contain the information recited in this
52 subsection other than (1) the date the existing account matures and the
53 new maturity date if the account is renewed; (2) the interest rate and
54 the annual percentage yield if they are known, or if the rates have not

55 yet been determined, the date they will be determined and a telephone
56 number the depositor may call to obtain the interest rate and the
57 annual percentage yield that will be paid for the new account; and (3)
58 any difference in the terms of the new account compared to the deposit
59 account disclosures and deposit account charges governing the
60 existing account.

61 (d) Except for deposit accounts for which a financial institution
62 sends periodic statements, each financial institution that has a policy of
63 imposing dormancy fees in connection with inactive deposit accounts
64 shall, not less than fifteen days prior to the date the institution may
65 impose a dormancy fee, mail a notice to the depositor. The notice shall
66 be printed in capital letters in no less than twelve-point boldface type
67 and shall state that the account will become inactive and that a
68 dormancy fee may be imposed by the financial institution as a result of
69 such inactivity. Such notice shall be mailed to the last-known mailing
70 address maintained by the institution for the deposit account.

71 (e) Notwithstanding the provisions of subsection (d) of this section,
72 no financial institution may impose a dormancy fee in connection with
73 an inactive deposit account for which periodic statements are not
74 provided if the primary account holder of such inactive deposit
75 account is also a primary account holder of a deposit account with the
76 financial institution that is otherwise active in such manner as may be
77 prescribed by such institution in the relevant transaction account
78 contract. For purposes of this subsection, a person is a primary account
79 holder with respect to an account if such account is (1) maintained
80 primarily for personal, family or household purposes, and (2)
81 currently filed in the financial institution's records using that
82 individual taxpayer's identification number as the primary number for
83 federal tax reporting purposes or is currently filed in such a manner
84 that, for internal recordkeeping purposes, the individual is treated as
85 the primary account holder.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2009</i>	36a-318
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BA *Joint Favorable Subst.*